

DIRECTOR'S REVIEW REPORT – FFBL POWER COMPANY LIMITED
Period Ended March 31, 2019

Directors' Report

The Board of Directors is pleased to present Operational and Financial overview of FFBL Power Company Limited (FPCL) along with the Un-audited financial information of the Company for the quarter ended March 31, 2019.

Principal Activity

FPCL was incorporated as a Public Limited Company on 27 June 2014 with Fauji Fertilizer Bin Qasim Limited and Fauji Foundation subscribing to 75% and 25% of the total paid-up capital, respectively. The principal activity of the Company is to Build, Own and Operate a Coal Based Power Generation Facility at Port Qasim Karachi with a Gross Capacity of 118 MW. The Company commenced its Commercial Operation on 19 May 2017.

Financial Results

During the quarter ended March 31, 2019 FPCL has recorded Revenue amounting to PKR 3,669 Million (3,517 million in 2018) against Cost of Sales of PKR 2,258 Million (2,330 million in 2018). Profit after Taxation stood at PKR 709 Million as against Profit of PKR 715 Million posted during the quarter ended 31 Mar 2018 resulting in Earnings per share (EPS) of PKR 0.83 (PKR 0.83 in 2018).

The decrease in fixed asset by PKR 86.8 million is mainly attributable to depreciation for the period of PKR 244.7 million netted off by addition in Property Plant & Equipment of PKR 9.9 million and increase in Capital Work in Progress of PKR 148 million.

Current assets mainly comprise of Stock-in-Trade amounting to PKR 1,626 Million, Trade Debt amounting to PKR 1,605 Million which includes receivable from FFBL (PKR 803 Million) and K-Electric (PKR 782 Million) and Advances, prepayments & other receivables amounting to PKR 522 Million.

Current Liabilities mainly comprises of Payable to GE Oil & Gas PKR 59.9 Million, Payable to FFBL PKR 80.2 Million, Retention Money payable amounting to PKR 18.9 Million and PKR 1,754 Million being the current portion of Long Term Finance Facilities.

The eighth principal repayment under the Long Term Finance Facilities amounting to PKR 417 Million have been paid during the quarter ended 31 Mar 2019. Outstanding Long Term Finance Facilities as at 31 Mar 2019 amount to PKR 18,740 Million.

Operational Results

During the Period FPCL delivered Electricity of 25,805 MWh (76.26% of Budget) to Fauji Fertilizer Bin Qasim Ltd and 95,954 MWh (105.99% of Budget) to K-Electric Ltd. The Company has also delivered 248,084 Metric Tons (89.54% of Budget) of Steam to Fauji Fertilizer Bin Qasim Ltd.

The demand of electricity has always been on the rise and the trend is expected to remain the same. Though the Government of Pakistan has been actively pursuing various Power Projects to bridge the gap of demand and supply and many projects being in the pipeline, the gap is still expected to remain in the near future.

Internal Control System

The company's management has adopted internal control policies and procedures to achieve its objective of efficient conduct of business operations. Internal Audit function has also been setup by the board which reports to the Audit Committee.

Board of Directors

The Board exercises the power conferred to it by the Companies Act, 2017 and the Memorandum and Articles of Association of the Company, through Board meetings, which are held Every Quarter for reviewing and approving the adoption of Company's Financial Statements, Formulating Strategies, Providing Guidance to the Company's Management and Monitoring their performance.

List of the Directors of the Company

- Lt Gen Syed Tariq Nadeem Gilani, HI (M), (Retd)
- Lt Gen Javed Iqbal, HI (M),(Retd)
- Lt Gen Tariq Khan, HI (M), (Retd)
- Dr Nadeem Inayat
- Maj Gen Tahir Ashraf Khan, HI (M), (Retd)
- Maj Gen Kaleem Saber Taseer (Retd)
- Brig Raashid Wali Janjua (Retd)
- Mr. Rehan Laiq
- Syed Aamir Ahsan

Pattern of Shareholding

Categories	No of Shares	%
Directors & CEO	9	
Fauji Fertilizer Bin Qasim Limited (FFBL)	644,062,491	75%
Fauji Foundation (FF)	214,687,500	25%

Acknowledgements

The Board acknowledges and appreciates with thanks the continued efforts and contributions of all stakeholders in smooth operations of the Company and expects the same to continue in the future.

For and on behalf of the Board



Lt Gen Syed Tariq Nadeem Gilani, HI (M), (Retd)
Chairman



Lt Gen Javed Iqbal, HI (M), (Retd)
Chief Executive & Managing Director

Islamabad

April 23, 2019